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[Proposed Counsel] for the
Official Committee of Equity Security Holders
of USA Capital First Trust Deed Fund, LLC

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:	)	BK-S-06-10725-LBR
USA COMMERCIAL MORTGAGE COMPANY	)	Chapter 11
Debtor.)	
In re:	)	BK-S-06-10726-LBR
USA CAPITAL REALTY ADVISORS,	)	Chapter 11
LLC,)	
Debtor.)	
In re:	)	BK-S-06-10727-LBR
USA CAPITAL DIVERSIFIED TRUST	)	Chapter 11
DEED FUND, LLC,)	
Debtor)	
In re:	)	BK-S-06-10728-LBR
USA CAPITAL FIRST TRUST DEED	)	Chapter 11
FUND, LLC,)	
Debtor)	
In re:	)	BK-S-06-10729-LBR
USA SECURITIES, LLC,	)	Chapter 11
Debtor)	

Affects:

- ☒ All Debtors
☐ USA Commercial Mortgage Co.
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed
☐ USA First Trust Deed Fund, LLC

**LIMITED OPPOSITION TO THE
DEBTOR'S APPLICATION TO EMPLOY
AND RETAIN RAY QUINNEY &
NEBEKER P.C. AS COUNSEL FOR
THE DEBTORS (AFFECTS ALL
DEBTORS)**

Date: May 18, 2006
Time: 9:30 a.m.
Place: Foley Federal Bldg.
300 Las Vegas Blvd. S.
Las Vegas, NV 89101

TO THE HONORABLE LINDA B. RIEGLE, UNITED STATES BANKRUPTCY JUDGE:

In response to the "Application To Employ And Retain Ray Quinney & Nebeker P.C. As Counsel For The Debtors" (the "Quinney Application"), filed by USA Commercial Mortgage Company ("USACM"), on behalf of itself and its affiliated debtors (each, a "Debtor" and, collectively, the "Debtors"), the Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC (the "First Trust Deed Committee"), hereby files this limited opposition ("Limited Opposition") and states as follows:

Pursuant to the Quinney Application, the Debtors seek to employ and retain Ray Quinney & Nebeker P.C. ("Quinney") as counsel for the Debtors.

In requesting that the Court approve the employment and compensation of Quinney under section 328(a) of the Bankruptcy Code, the Debtors seek the Court's determination that the terms and conditions of Quinney's employment are "reasonable" and that the Debtors' proposed compensation to Quinney is not subject to further review unless "such terms and conditions prove to be

1 improvident in light of developments not capable of being
2 anticipated" at this time. See 11 U.S.C. §328(a).

3 The First Trust Deed Committee does not oppose the
4 employment of Quinney as counsel to the Debtors. However, the
5 First Trust Deed Committee believes that Quinney should not be
6 employed pursuant to Bankruptcy Code section 328(a). It is
7 premature, at this point, for the Court to approve the terms and
8 conditions of Quinney's employment, and thus its compensation,
9 without further scrutiny by any other party in interest or the
10 Court later in these cases. The Court simply cannot make a
11 determination regarding the "nature, extent or value" of Quinney's
12 professional services to the Debtors at this time. Lobel & Opera
13 v. U.S. Trustee, (In re Auto Parts Club, Inc.), 211 B.R. 29, 33
14 (B.A.P. 9th Cir. 1997) (noting that courts generally consider "the
15 nature, the extent, and the value of the professional's services"
16 in determining the award of compensation); see also, In re N&T
17 Assoc., Inc., 134 B.R. 17, 18 (D. Nev. 1991).

